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Report on the existing accountability framework, including monitoring and evaluation mechanisms in UNDP*

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* The compilation of data required to provide the Executive Board with the most current information has delayed submission of the present report.

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I. Introduction

1. Accountability[1] has always been embedded in the structure of UNDP and its operational procedures. While commitment to accountability has not changed; the context has been dynamic and the application has been evolutionary.

2. A 1997 report to the Executive Board (DP/1997/CRP.13) provided a blueprint for further strengthening accountability mechanisms in the context of UNDP as a decentralized organization. The report called for the introduction of new management systems for planning and programming, financial resource management, human resource management, material resource management, oversight — including audit and evaluation — and the internal justice system. That strategy followed the harmonized terminology for results-based management proposed by the United Nations Development Group (UNDG). Building on these recommendations UNDP put in place a portfolio of management processes and administrative procedures that taken together, informed the foundation of current accountability related activities. Ongoing efforts to update results-based management in UNDP build on this foundation and form the basis of the strategic plan, 2008-2011.

3. The objective of this report is to respond to Executive Board decision 2007/22, in which the Administrator of UNDP was requested to: "... present to the Executive Board, at its second regular session 2007, an all-inclusive report on the existing UNDP accountability framework and its monitoring and evaluation mechanisms". UNDP recognizes the increased international focus on accountability within the evolving aid and development environment, and is committed to enhancing accountability within the organization and in all its operations and partnerships. This is further bolstered by the General Assembly, which has established the basis for an accountability framework through its resolutions 57/270 B and 60/312.

II. UNDP accountability to external stakeholders

4. The roles and accountability of the Executive Board are defined in General Assembly resolution 48/162. In UNDP, the Executive Board is accountable to the General Assembly and responsible for "providing intergovernmental support to and supervision of the activities of UNDP in accordance with the overall policy guidance of the General Assembly and the Economic and Social Council (ECOSOC) and the responsibilities set out in the United Nations Charter (paragraph 21)".

5. The accountability of UNDP is informed by General Assembly resolution 59/250 on the triennial comprehensive policy review (TCPR), which articulates national government responsibility for their countries' development, and for development outcomes. UNDP has a dual role of providing policy and technical support to programme countries by working and advocating for development issues, as outlined in its strategic plan. In addition, based on TCPR 59/250, UNDP is accountable for management of the resident coordinator system on behalf of the United National development system.

[1] The Organization for Economic Cooperation and Development (2002) defines accountability as "the obligation to demonstrate that work has been conducted with agreed rules and standards or to report fairly and accurately on performance results vis-à-vis mandate roles and/or plans".

6. The key dimensions of current organizational accountability are:

(a) ***UNDP is accountable to the Executive Board of UNDP and UNFPA for expected results and stewardship of the resources entrusted to the organization***. This accountability is executed through the multi-year funding framework (MYFF), the corresponding results-oriented annual report and the yearly financial statement. Furthermore, UNDP is accountable for the implementation of Executive Board-approved programmes at country, regional and global levels.

(b) ***The accountability of UNDP to programme governments for contribution to development impact***. The first line of accountability for development outcomes rests with national authorities. UNDP is to make contributions to these outcomes, and its chief accountability must therefore be for its contributions to development impact. Our efforts must be aligned with results of the United Nations Development Assistance Framework (UNDAF) and enshrined in the country programme document and the country programme action plan.

(c) ***Delivering results through United Nations coordination efforts at the country level***. The implementation of the TCPR requires UNDP to promote greater coherence amongst United Nations agencies at country level. The contribution of UNDP to United Nations coordination include the alignment of common United Nations processes, strengthening the resident coordinator system, promoting where applicable, common services and premises as well as clarifying accountability in more innovative cooperation modalities such as *joint programming* at the country level and *multi-donor trust fund arrangements*.

7. In its work, the Executive Board is advised by the analysis and findings of the following four independent bodies:

(a) ***United Nations Board of Auditors***. In accordance with its mandate from the General Assembly, undertakes external audit of the accounts of the United Nations and its funds and programmes and reports findings and recommendations to the General Assembly.

(b) ***Audit Advisory Committee***. Advises the Administrator on policies significantly affecting financial management and reporting; the effectiveness of the internal audit function, and the effectiveness of UNDP systems of internal control and accountability and risk management arrangements; monitors control implications arising from internal and external audit reports and the implementation of recommendations, fraud prevention policy, code of ethics and whistleblower policy.

(c) ***Office of Audit and Performance Review***. Provides independent, objective assurance and advisory services (as well as investigation services) designed to add value to UNDP and improve its operations by contributing a systematic, disciplined approach in auditing and investigations with a view to improving the effectiveness of risk management, strengthening internal controls, and enhancing accountability and transparency in the internal management and governance processes of UNDP.

(d) ***Evaluation Office***. Conducts systematic, independent assessment of results, effectiveness and impact of the substantive activities of the programme.

III. Internal accountability framework

8. A number of components inform the internal accountability framework. This framework guides staff in their daily work and is divided into two areas: process management and staff management.

Process management

9. The *UNDP prescriptive content management system* provides policy clarification, operational standards and procedural guidance to UNDP offices in the execution of UNDP core business processes. These include guidance on target-setting and reporting under the results management framework, results based budgeting, financial resource management, procurement and contract management, human resource and payroll management, security, etc.

10. The UNDP *internal control framework* (formalized in its current form in 2005) defines UNDP-specific policies, procedures, monitoring and communication activities, standards of behaviour and other activities, including, inter alia: (a) Execute orderly, ethical, economical, efficient and effective operations; (b) Safeguard assets from inappropriate use and loss from fraud and error; (c) Help ensure the quality of internal and external reporting, through the maintenance of proper records and information flows; and (d) Facilitate compliance with applicable laws, regulations and internal policies. The framework prescribes responsibilities, authorities, and accountability of managers and staff in different roles in the execution of programmatic, financial, procurement, human resources and payroll functions. In addition, UNDP has instituted numerous *control mechanisms* to strengthen its preventive capabilities, including role-based user access rights and accounts management, user log-in account authentication, "audit trails" in Atlas, and implementation of a leading industry monitoring and detection tool for tracking unusual transactions.

11. *Project design, monitoring, evaluation and reporting.* The project in UNDP country offices is the building-block of development programmes at the country, regional and global levels in support of the strategic plan. The country programme action plan and the annual work plan constitute the legally binding obligation and responsibilities of UNDP, agreed upon with governments and respective implementing partners, subject to receipt of the necessary funding. The Operations Support Group will provide the policy support required to ensure the quality assurance of project design, while regional bureaux will ensure the implementation of *regular monitoring and evaluation activities, as well as reporting,* including management responses to the evaluation reports.

12. *Managing key audit priorities at the office and headquarters levels.* Fifteen top audit priorities identified by UNDP management in 2006 have since been used for monitoring by the Operations Group chaired by the Associate Administrator. The Operations Group has provided a powerful message to all managers to manage these key audit issues. It also provides UNDP the impetus to explore alternative strategies to address the recurring systemic issues underpinning these audit observations. The "regional shared accounting service centre" concept is one example of how UNDP is addressing structural and systemic issues in providing accounting support services to offices lacking that capacity, either temporarily or on a long-term basis.

13. *Enterprise risk management and security management.* Risk management is an essential element of good corporate governance and organizational accountability. UNDP is mainstreaming risk management into its unit work-planning and monitoring and reporting processes. These will be based on the enhanced Atlas system that UNDP is developing as part of its corporate enterprise risk management framework. In addition, security risk management, with performance targets, will be mainstreamed into UNDP programming at all levels by the end of 2009.

Staff management

14. The United Nations Charter, and article I of the Staff Regulations of the United Nations and Staff Rules, form the basis for ethical conduct in UNDP. Key staff accountability policies, procedures and instruments include:

(a) *Staff performance plan and unit work plan.* The Results and Competency Assessment is the primary performance planning, assessment and management tool of UNDP for "results and competencies", including learning. It has been enhanced to enable staff to relate their goals and performance indicators more closely to the unit work plan and key business results areas. The *Career Review Group* in each UNDP office is responsible for performance review and development coaching.

(b) *Global Learning Management system and investment in staff professional certification programmes in functional areas.* UNDP is leveraging its global learning management system to support staff development and self-paced online learning by UNDP staff in all offices. Our Virtual Development Academy programme connects staff across the globe in a virtual learning environment enabling knowledge exchange and learning. Since 2005, UNDP has launched *practice based professional certification programmes*, which provide staff with the opportunity to be externally certified in key business areas in UNDP.

(c) *Anonymous, confidential reporting of allegations of sexual harassment, abuse of authority or fraud in place.* The Office of Audit and Performance Review (OAPR) currently supports a *hotline* for anonymous and confidential reporting. OAPR is involved in investigations, and, based on OAPR findings, the UNDP Legal Support Office recommends disciplinary action for staff who violate the code of conduct. Instances of misconduct have been addressed through the *UNDP disciplinary procedure*. Staff seeking informal grievance resolution or mediation may approach the *Office of the Ombudsperson*.

(d) *Protection policy and procedures in place.* UNDP protects staff who report allegations of wrongdoing from retaliation or other harm. UNDP relies on the principles enshrined in the Staff Regulations of the United Nations and Staff Rules to discipline staff who retaliate against those who have reported allegations of wrongdoing or cooperated in investigations. Specific protection from retaliation was first codified in 2005, when UNDP issued its guidelines on dealing with harassment, sexual harassment and abuse of authority.

(e) *Policy and training on UNDP code of ethics being formalized.* An interactive *online ethics training module* is being piloted in 2007. It deals with personal integrity, integrity in the workplace, integrity in client relations with Member States, suppliers, the public, the media and reporting allegations of acts of misconduct and staff wrongdoing. A role-based learning plan is being developed to ensure personalized training. The Legal Support Office provides advice on a case by

case basis on the application and interpretation of the Staff Regulations of the United Nations and Staff Rules, including such matters as conflict of interest, receipt of gifts or honours, and participation in outside activities. While OAPR investigates allegations of wrongdoing, including ethical issues, and liaises with appropriate units such as the Office of Human Resources and the Legal Support Office, UNDP is considering — in consultation with the funds and programmes and drawing on the experience of the Secretariat — the installation of a dedicated ethics function.

(f) *Financial disclosure of senior officials and declaration of impartiality for staff with procurement and treasury functions.* The UNDP Administrator issued the policy on financial disclosure in 2007, requiring critical staff to file financial disclosure statements at the D1/L6 level and above, including procurement officers; staff with buyer and approver roles in ATLAS; staff whose duties relate to the investment of assets; staff with direct access to confidential procurement or investment information; the Chairperson (and alternate) of the Advisory Committee on Procurement at headquarters; and the Contracts, Assets, and Procurement Committee in country and regional offices.

(g) *Dissemination of information regarding disciplinary cases involving UNDP.* UNDP believes that transparency is a crucial feature of any justice system. With that in mind, since 2001 the Administrator has released the results of the previous year's *disciplinary cases concerning staff members* from UNDP, UNFPA and other organizations in which UNDP plays a role in staff administration. Sharing this information is intended to increase awareness of how our internal justice system works, as well as the standards of conduct and the levels of accountability expected of all staff.

(h) *Due process granted in disciplinary and appeals procedures. Due process* is available to staff members at different levels of the internal justice system, which includes the following: (i) administrative review; (ii) Joint Appeals Board; (iii) United Nations Administrative Tribunal; and (iv) Disciplinary Committee. In addition, the Ombudsperson, staff representatives and the Panel of Counsel provide assistance to staff at their request.

IV. Monitoring and reporting mechanisms

A. Multiple reporting mechanisms

15. A number of programmatic, operational, audit and evaluation arrangements exist in UNDP to support reporting on the MYFF.

(a) *Key existing stakeholders monitoring and reporting mechanisms in place in UNDP.* The key stakeholders' reports include the annual MYFF report of the Administrator on performance results — including review of the recommendations of the Joint Inspection Unit — as well as others, such as funding, internal audit, evaluation, programming arrangements and the biennial support budget, and the annual country office results-oriented annual report.

(b) *Internal monitoring and reporting mechanisms in place in UNDP.* Internal monitoring tools consist of electronic reporting aimed at helping managers perform their duties and informing decisions on a real-time basis. Those

mechanisms include, inter alia, tools to measure client satisfaction, organizational efficiency, learning and growth, financial resources and programme quality, and various surveys.

(c) *Programme results and performance information reporting*. In decision 2006/9 the Executive Board decided that all relevant country programme results and performance information would be consolidated and reported to the Board at the end of the country programme cycle. It will include an analysis of results achieved, relevant lessons learned and best practices noted. In addition, summaries of independent evaluation of outcomes and audit shall be part of the new draft country programme documents or any extension of a current programme.

(d) *Reporting mechanisms under consideration in the context of the strategic plan*. Work is in progress on an integrated results management system to provide meaningful monitoring and reporting of the accountability of UNDP to the Executive Board with respect to the three "pillars" — development results, management results and United Nations coordination.

B. Evaluation mechanisms and system

16. Evaluation in UNDP provides decision-makers and the public with an objective assessment of the UNDP contribution to development results. Its role is guided by the 2006 evaluation policy (DP/2005/28) approved by the Executive Board, which establishes the guiding principles and norms, explains key evaluation concepts, outlines the main organizational roles and responsibilities, defines the types of evaluation covered, and identifies the key elements of a system for learning and knowledge management. As an accountable organization, UNDP has two evaluation types in place.

Independent evaluation

17. The Evaluation Office is mandated to conduct independent evaluations for corporate accountability and organizational learning. The Director of the Evaluation Office is appointed by the UNDP Administrator, in consultation with the Executive Board, to ensure that there is no conflict of interest in employment, including limiting the term of appointment to four years (renewable once), and barring re-entry into UNDP. The Evaluation Office submits an evaluation agenda annually to the Executive Board for its approval, and contributes to independent oversight by conducting the following independent evaluations (based on approved evaluation agenda; the results are submitted directly to the Executive Board):

(a) *Strategic evaluations*. UNDP performance is assessed in areas that are critical to ensuring a sustained contribution to development results in the context of emerging development issues and changing priorities at the global and regional levels.

(b) *Corporate programmes evaluations*. UNDP global, regional and South-South programmes are assessed in terms of their intended and achieved results. These evaluations seek to reinforce the substantive accountability of UNDP to the Executive Board, and are timed to contribute to the preparation and approval of the next programme.

(c) Country-level evaluations and assessments of development results assess the degree of attainment of intended results, as well as UNDP contributions to development results at the country level. Their scope includes, but is not necessarily be confined to, UNDP responsiveness and alignment to country challenges and priorities; strategic positioning; use of comparative advantage; and engagement with partners.

Decentralized evaluation

18. Senior managers of programme units (country offices, regional bureaux, the Bureau for Development Policy, and the Bureau for Crisis Prevention and Recovery) are responsible for commissioning decentralized evaluations in the programmatic frameworks for which they are responsible, and using the information in managing for results. The programme units seek to increase the impartiality and objectivity of decentralized evaluations by outsourcing them to external experts and institutions. Governments and people are responsible for development outcomes. Decentralized evaluations support the accountability of UNDP to the relevant programme country and its people for contributing to those results in the most relevant, efficient and effective way while maintaining the principles of multilateralism, national ownership and United Nations values and norms.

19. The key decentralized evaluations include outcome and project evaluations. Outcome evaluation in UNDP assesses progress towards the attainment of outcomes, which are changes in development conditions in programme countries. It focuses on the contribution of UNDP towards the nationally owned outcomes. It explicitly recognizes the role of partners in the attainment of the outcomes.

20. Key managerial responsibilities for decentralized evaluations have been established:

(a) *Evaluation plan to be prepared with global, regional and country programme documents.* In consultation with partner governments and key stakeholders, all programme units are required to develop an evaluation plan, which will be made available along with the global, regional or country programme document for the submission to the Executive Board. The Bureau for Crisis Prevention and Recovery, which submits a strategy in lieu of a programme document, also develops an evaluation plan. The evaluation plan must include all mandatory evaluations.

(b) *Planning, monitoring and managing evaluation activities.* Senior managers of the programme units assume the overall responsibility for the decentralized evaluation process, including:

(i) Ensuring evaluability by identifying clear results, developing measurable indicators, and establishing performance targets and baseline information during the design phase, and the effective monitoring of implementation and performance of programmes to generate relevant, timely information for management for results and evaluation;

(ii) Costing the evaluation plan, ensuring adequate resources for evaluations, and establishing an appropriate institutional arrangement to manage evaluation;

(iii) Safeguarding the impartiality and objectivity of the evaluation process and product, ensuring the conduct of mandatory evaluations in line with established quality standards, and promoting joint evaluation work with the

United Nations system and other partners; and, in the case of country offices, contributing to the UNDAF evaluation.

(c) *Oversight responsibility of global, regional and south-south programmes.* UNDP senior management perform an oversight function over global, regional and South-South programmes and the strategy prepared by the Bureau for Crisis Prevention and Recovery by ensuring the quality of their respective evaluation plan, commissioning process, and evaluation products.

(d) *Oversight responsibility of country programmes and evaluation plans.* The regional bureaux perform an oversight function over country programmes and evaluation plans. They endorse the quality of the draft evaluation plans, as outlined in the quality criteria, before submitting them, as an annex to the country programme document, to the Executive Board.

C. Use of evaluation and follow-up

21. In line with the information disclosure policy, responsible units are required to upload completed evaluation reports in the online, publicly accessible Evaluation Resource Centre, which is managed by the Evaluation Office. To ensure the effective use of evaluation, UNDP has established a management response system that requires a management response to all evaluations. Responsible units prepare the management response in consultation with key stakeholders, reviewing key issues and recommendations from the evaluation and identifying follow-up actions and time frame for their implementation.

22. Management responses to independent strategic and corporate programme evaluations are prepared by the units designated by the Administrator. The management responses are presented to the Executive Board, which then provides direction, based on the evaluation and the management response, by means of a decision. Tracking for the management responses to independent evaluations is done by senior management and reported to the Executive Board.

23. Management responses to assessments of development results are prepared by the relevant regional bureau and country office, designated by the Associate Administrator. Tracking is done by the Associate Administrator in his monthly meetings with the regional bureau directors. Management responses to decentralized evaluations are prepared by the relevant programme units in consultation with key stakeholders.

D. Reporting

24. To support accountability in evaluation, the Evaluation Office sets standards and guidelines, and maintains an online information management system that provides timely information on evaluation planning, compliance and follow-up. Using the data from that system, the Evaluation Office prepares the annual report on evaluation, including a description of the evaluation function, the findings and recommendations from independent evaluations, quality assurance, follow-up to evaluations and compliance by programme units, and submits it to the Executive Board. The Evaluation Office periodically prepares a report to UNDP management on key issues emerging from independent evaluation and the follow-up thereto.